in time of war for the equipment of the Army. It may be that the benefit conferred by those who save, in increasing the output of mankind, will be more generally recognised, and that the supply of capital may, when the war is over, be increased on patriotic grounds, or on grounds even wider than mere patriotism—a desire to help a great stride forward in the material welfare of mankind.

Capital is a very tender plant, and it will be very easy, if mistakes are made, to frighten those who see the benefits of accumulation for themselves and others. Labotir troubles and industrial unrest are extremely likely to have the effect of destroying capital by preventing it coming into existence. If we remember that capital can only be created by being saved, it becomes evident that if those who save are threatened with too deep an inroad into their reward for so doing, on the part of labour, they will hesitate to save ; and if the action of labour has this effect, labour will be sawing off the bough on which it sits. For it is new capital that sets new industry going, and it is only by a continual supply of new industry that a continual demand for fresh labour can be maintained.

There is also at present much mischievous talk about a great tax on capital for the purpose of redeeming, or hastening the redemption of, war debt. It is clear at once that it is not possible to tax capital if we remember that capital consists of

the tools and equipment of industry, or even, in the wider sense of the word, of accumulated assets which have not been consumed. Unless the Government is pre-